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Bernard Baruch, the man who was an adviser to several presidents, once said that "the highest and best form of efficiency is the spontaneous cooperation of a free people."

He was talking about the role of American industry in World War I when he said that.

But he could have been talking about the system that we will spend a month saluting beginning tomorrow -- the cooperatives of America.

There's no question that our cooperatives have been efficient. And certainly they have involved "the spontaneous cooperation of a free people."

But they have been more than that to me.

I can't remember a time when cooperatives were not part of my life. It's like going to church. You build churches, schools and then cooperatives and you patronize all three.

I grew up in the Midwest. My ancestors came to that region from Norway in the 1870's and 1880's. They were a part of that land grant homestead movement that took hold in the prairie country in that period.

They became populists, and out of that the cooperative effort grew.

My father helped organize several cooperatives.

Remarks by Secretary of Agriculture Bob Bergland to Media Luncheon for National Cooperative Month at National Press Club, Washington, D.C., Friday, September 30, 1977.

One was an oil co-op. In their first year, they used some business practices that were new and rather radical for the time.

They bought trucks and delivered the fuel. Farmers did not have to come to town and pick it up. The first year they paid a dividend that equaled the farmers' entire investment in the cooperative.

It was so successful the major oil company in the area had to start doing the same things.

You can get into a big argument about whether the private companies would have eventually done those things the co-ops did first. Whether they would have delivered the oil, electrified the farms, put telephones in those rural areas.

The companies say they would have if they'd had the time.

I don't agree.

I think co-ops forced those situations. They've always been ahead of their time, in the vanguard of many trading practices. I think they offered an important alternative.

I have a firm belief that cooperatives will not only keep free enterprise free and enterprising, by providing legitimate competition, but they serve certain social and political functions as well.

In the beginning it was the only way by which the lonely voice of the farmer could be heard. Speaking in unison, they commanded attention. And in our system, it's important to be heard.

Now, like everything else in our world, cooperatives have changed. They're bigger and they no longer represent just the farmer. People who live in cities are served by electrical and health co-ops, by credit unions, to name a few.

And co-ops are a living example of something we're trying to get across at the Department of Agriculture.

We're trying to kill some of the myths of our time. One is that there is some sort of mystical dividing line between the producer and the consumer.

There isn't. The two are tied together and they always have been. And co-ops, where the producers are the consumers, are a classic example of the tie.

Just as co-ops have been a part of my life, they're going to be a part of my administration of the Department of Agriculture.

The co-op loan program is an example.

Traditionally, USDA has adopted regulations allowing producers to participate in loan programs through their co-ops on a variety of products. I decided to extend that authorization to wheat and feed grains.

The private grain companies are opposing me, arguing that this is an unnecessary and unwarranted intrusion into what is essentially a private domain. Again, I disagree.

We're going to broaden the USDA perspective in areas like this one.

Right now cooperatives handle about 40 percent of the grain at the farm purchase level, about 20 percent at the wholesale level, but less than 10 percent of the exports.

A multi-national grain corporation headquartered in some foreign country but doing business in the United States has its agents all over the world. And they do a good job.

They buy the grain where they can get it the cheapest, and they sell it where they can get the most for it. That's what they're in business to do.

And they deal in broad lines. They buy and sell soybeans, wheat, corn, feeds, copper, tin and cocoa and lots of other things.

Co-ops don't do this. They have an agent in Tokyo that sells Kansas wheat, or Arkansas rice, or Georgia broilers, or Minnesota dairy products.

But they don't deal in the whole trade spectrum and no co-op really gathers information on worldwide market and business conditions, which is where the private firms excel.

I marvel at how well the private firms do it and I wouldn't do anything to get in their way.

But at the same time, I've talked with government and business leaders from foreign countries, and they say they'd like to do business with an American firm that has its roots deep in our soil.

They find our cooperatives appealing because they're part of our fabric. They're not just motivated by a quick profit. They're service-oriented. That's been their unique quality.

And that's why I'm going to support the cooperative concept in the export trade business and encourage the co-ops to develop the same kind of intelligence-gathering system the private firms use.

We're also going to use the co-op concept in our rural development strategy, in areas where it has not been given as much attention.

We think it can be used to help people jointly own machinery that could not be afforded individually, to hire marketing experts, to encourage labor-intensive agriculture.

I've already seen an example of how it worked in California. There 52 landless migrant workers banded together and formed a cooperative. They rented land, bought machinery, installed irrigation, and have their own strawberry enterprise.

It's a financial success, without subsidy. I don't see why it can't be done elsewhere, especially in the South.

And, lastly, I'd like to see the cooperatives use Co-op Month to rededicate themselves to working together.

If there are jurisdictional differences, forget them.

If you can increase your strength by coming together as groups, do it.

As I said, in our system it is important to be heard. And your voice is louder if you speak together.

That's the way co-ops have always spoken. It's especially important in these days of change that they continue to do it, and maybe even do it better.

Thank you.

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